

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of	)	
	)	
Broadband Industry Practices	)	WC Docket 07-52
	)	
	)	

**COMMENTS OF THE  
CONSUMER ELECTRONICS ASSOCIATION**

The Consumer Electronics Association respectfully submits these comments in response to the Commission's Notice of Inquiry regarding practices in the market for broadband services.<sup>1</sup>

**I. Introduction**

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the consumer technology industry through technology policy, events, research, promotion and the fostering of business and strategic relationships. CEA represents more than 2,100 corporate members involved in the design, development, manufacturing, distribution and integration of audio, video, mobile electronics, wireless and landline communications, information technology, digital imaging, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. Combined, CEA's members account for more than \$140 billion in annual sales.

**II. Discussion Regarding the Commission's Broadband Policy Statement**

CEA has consistently advocated that open and unfettered consumer access to content, service, applications and devices – all of which have fueled the phenomenal growth of the

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<sup>1</sup> *In the Matter of Broadband Industry Practices*, WC Docket No. 07-52, Notice of Inquiry, FCC 07-31 (rel. Apr. 16, 2007) (“NOI”).

Internet – must be preserved. CEA also believes that market-driven, facilities-based competition is the best way to promote rapid deployment of broadband technologies and increase consumer demand.

CEA has long-supported the application of broadband connectivity principles to all broadband Internet access services.<sup>2</sup> In August 2005, the Commission formally recognized in a *Policy Statement* its support for these principles, including consumers' right to connect their choice of legal devices to the network as long as these devices cause no harm.<sup>3</sup> The *Policy Statement* serves as a non-restrictive framework providing guidance for industry and the Commission as the competitive broadband marketplace becomes increasingly robust.

The *Policy Statement* provides a mechanism for the Commission to monitor marketplace developments. Should the Commission find violations of the *Policy Statement*, then it should consider conducting a rulemaking proceeding to ensure that the connectivity principles set forth in the *Policy Statement* are preserved. Such a rulemaking would serve the public interest and the robust development of the broadband marketplace. We believe, however, that any such regulation should not impede the development and deployment of new broadband technologies.

The Commission has re-affirmed its commitment to the *Policy Statement* in two recent merger proceedings.<sup>4</sup> CEA fully supports the FCC's actions to ensure that the connectivity principles set forth in the *Policy Statement* remain relevant as the marketplace evolves.

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<sup>2</sup> See High Tech Broadband Coalition Letter to Chairman Powell, September 25, 2003, CS Docket No. 02-52; GN Docket No. 00-185; CC Docket Nos. 02-33, 95-20 & 98-10.

<sup>3</sup> *In the Matter of Appropriate Framework for Broadband Access to the Internet over Wireline Facilities*, Policy Statement, 20 FCC Rcd 14986 (2005) (“*Policy Statement*”).

<sup>4</sup> See *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, WC Docket No. 05-65, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18366-68, paras. 141-43 (2005) (*SBC-AT&T Merger Order*); *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, WC Docket No. 05-75, Memorandum Opinion and Order, 20 FCC Rcd 18433, 18507-09, paras. 140-42 (2005) (*Verizon-MCI Merger Order*); *AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74, Memorandum Opinion and Order, FCC 06-189, paras. 151-53 (rel. Mar. 26, 2007) (*AT&T-BellSouth Merger Order*).

### **III. The Commission Should Clarify That the Broadband Policy Statement Applies to All Broadband Services**

On March 22, 2007, the Commission adopted a Declaratory Ruling classifying wireless broadband Internet access service as an information service.<sup>5</sup> CEA supports this ruling.

Questions have been raised, however, about the application of the *Policy Statement* to wireless broadband Internet access service. In light of these questions, we respectfully request that the Commission directly clarify that the *Policy Statement* does indeed apply to all broadband Internet access services, including wireless.<sup>6</sup>

### **IV. Market Research on Consumer Adoption of Broadband**

In the NOI, the Commission asks if behavior varies depending on the number of broadband Internet access service providers in a geographic area. In regard to broadband pricing, our research shows that the number of service providers in a geographic area does not impact the average price of broadband.<sup>7</sup> For consumer adoption, our research demonstrates that higher consumer adoption rates are not influenced by the number of available broadband service providers in a geographical area.<sup>8</sup>

The Commission also asks how higher speed broadband networks change the value proposition for consumers? Our research demonstrates that in comparison to dial-up customers, broadband customers are engaging in more online activities.<sup>9</sup> These activities include: telecommuting, online banking, obtaining news, shopping and viewing video content. Higher speed Internet access service clearly increases consumers' online activities.

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<sup>5</sup> *In the Matter of Appropriate Regulatory Treatment for Broadband Access to the Internet Over Wireless Networks*, WT Docket No. 07-53, Declaratory Ruling, FCC 07-30 (rel. March 23, 2007).

<sup>6</sup> See Comments of the Consumer Electronics Association, *In the Matter of Skype Communications S.A.R.L., Petition to Confirm a Consumer's Right to Use Internet Communications Software and Attach Devices to Wireless Networks*, RM-11361 (filed April 30, 2007) ("CEA Comments").

<sup>7</sup> See Appendix A, Slide 1

<sup>8</sup> See Appendix A, Slide 2


<sup>9</sup> See Appendix A, Slide 3

## V. CONCLUSION

The Broadband Policy Statement is a non-restrictive framework that provides guidance for industry and the Commission as the competitive marketplace becomes increasingly robust. Should the Commission find violations of the *Policy Statement*, then it should consider conducting a rulemaking proceeding to ensure that the principles are preserved.

Further, CEA respectfully requests that the Commission clarify that its *Policy Statement* applies to all broadband Internet access services, regardless of platform.

Respectfully submitted,

  
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## APPENDIX A

